



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 14-49)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-49 with attached transmittal and policy justification.

Dated: September 29, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

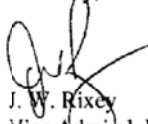
The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

SEP 24 2014

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-49, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Canada for defense articles and services estimated to cost \$41 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 14-49

Notice of Proposed Issuance of letter of Offer
Pursuant to Section 36(b)(1)
Of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Canada

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 25 million
Other	\$ <u>16 million</u>
TOTAL	\$ 41 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 12 MK-48 Mod 7 Advanced Technology Torpedo Conversion Kits with containers, spare and repair parts, weapon system support and integration, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and technical, and logistics support services, and other related elements of logistics support.

(iv) Military Department: Navy (APE, Amd #3)

(v) Prior Related Cases, if any:
FMS case AKR-\$31M-09Sep87
FMS case APE-\$118M-31Jan12

(vi) Sales Commissions, Fee etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article Proposed to be Sold: None.

(viii) Date Report Delivered to Congress: 24 Sep 14

*as defined in Section 47(6) of the Arms Export Control Act

POLICY JUSTIFICATION

Canada – MK-48 Mod 7 Advanced Technology (AT) Torpedo Kits

The Government of Canada has requested a possible sale of 12 MK-48 Mod 7 Advanced Technology Torpedo Conversion Kits with containers, spare and repair parts, weapon system support and integration, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and technical, and logistics support services, and other related elements of logistics support. These kits will upgrade 12 of Canada's existing inventory of MK-48 torpedoes from Mod 4 to Mod 7. The estimated cost is \$41 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a NATO ally that has been, and continues to be, a key democratic partner of the United States in ensuring peace and stability.

The sale of this equipment and support will not alter the basic military balance in the region.

Canada intends to use the MK 48 Mod 7AT Torpedoes on its Royal Canadian Navy's Victoria (formerly Upholder) Class submarines. Canada has significant relevant infrastructure and experience with modern torpedoes, including MK-48 Mod 4/4M and MK-46 Mod 5A (SW) torpedoes. Canada will have no difficulty absorbing these additional conversion kits.

The principal contractor will be Lockheed Martin Sippican, Inc. in Marion, Massachusetts. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Canada.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

[FR Doc. 2014-23532 Filed 10/02/2014 at 8:45 am; Publication Date: 10/03/2014]